

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

DECEMBER 31, 2014

# CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

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# PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Capital Post-Conviction Project of Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of Capital Post-Conviction Project of Louisiana (a non-profit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Post-Conviction Project of Louisiana as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole.

The schedule of functional expenses on page 7, and the Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer on page 18, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2015, on our consideration of Capital Post-Conviction Project of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Capital Post-Conviction Project of Louisiana's internal control over financial reporting and compliance.

*Paillet, Meunier and LeBlanc, LLP*

Metairie, Louisiana  
June 24, 2015

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2014

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 227,015
Grants Receivable	<u>400,000</u>
Total Current Assets	<u>627,015</u>
Property and Equipment	
Equipment and Furniture	198,100
Less: Accumulated Depreciation	<u>(175,845)</u>
Total Property and Equipment	<u>22,255</u>
Total Assets	<u>\$ 649,270</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$ 19,859
Deferred Revenue	<u>400,000</u>
Total Current Liabilities	<u>419,859</u>
Contingencies	
Net Assets	
Unrestricted	<u>229,411</u>
Total Net Assets	<u>229,411</u>
Total Liabilities and Net Assets	<u>\$ 649,270</u>

See independent auditor's report and notes to financial statements.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**STATEMENTS OF ACTIVITIES**

**For the Years Ended December 31, 2014**

**UNRESTRICTED NET ASSETS**

Unrestricted Revenues	
Government Grants	\$ 3,313,903
Harvard Law School Fellowship Grant	45,000
Interest Income	<u>170</u>

Total Unrestricted Revenues	<u>3,359,073</u>
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**Expenses**

Program Services	3,231,813
Supporting Services	<u>189,933</u>

Total Expenses	<u>3,421,746</u>
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Change in Unrestricted Net Assets	(62,673)
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Net Assets at Beginning of Year	<u>292,084</u>
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Net Assets at End of Year	<u><u>\$ 229,411</u></u>
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See independent auditor's report and notes to financial statements.

# CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

## STATEMENT OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2014

	<u>Total</u>	<u>Program Services</u>	<u>Supporting Services</u>
Salaries & Wages	\$ 1,176,893	\$ 1,059,204	\$ 117,689
Payroll Taxes	97,573	87,816	9,757
Fringe Benefits	211,490	190,341	21,149
Grants to Others	551,807	551,807	0
Expert Witness Fees	25,819	25,819	0
Investigator Fees	154,188	154,188	0
Case Expenses - General	19,143	19,143	0
Pro Bono Expert Witness Fees	868,142	868,142	0
Accounting/Audit Fees	15,500	0	15,500
Computer Consultant	32,644	29,380	3,264
Occupancy	132,308	119,077	13,231
Telephone	16,951	15,256	1,695
Depreciation	2,269	2,269	0
Computer Expenses	15,172	13,655	1,517
Office Expenses	51,195	46,076	5,119
Publications	5,251	5,251	0
Conferences and Meetings	12,280	12,280	0
Continuing Education/Dues	23,005	23,005	0
Insurance Expense	<u>10,116</u>	<u>9,104</u>	<u>1,012</u>
 Total Expenses	 <u>\$ 3,421,746</u>	 <u>3,231,813</u>	 <u>\$ 189,933</u>
 Percentage of total expenses		 0.94 %	 0.06 %

See independent auditor's report and notes to financial statements.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**STATEMENT OF CASH FLOWS**

**For the Years Ended December 31, 2014**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Increase (Decrease) in Net Assets	\$ (62,673)
Adjustments to reconcile increase in net assets to	
Net cash provided by operating activities:	
Depreciation and amortization	2,269
(Increase) decrease in operating assets:	
Prepaid Expenses	4,412
Increase (decrease) in operating liabilities:	
Payroll Taxes Payable	19,858
Total adjustments	<u>26,539</u>
Net cash provided (used) by operating activities	<u>(36,134)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Payments for Property and Equipment	<u>(16,949)</u>
Net cash provided (used) by investing activities	<u>(16,949)</u>
Net increase (decrease) in cash and equivalents	(53,083)
Cash and equivalents, beginning of year	<u>280,097</u>
Cash and equivalents, end of year	<u><u>\$ 227,015</u></u>

See independent auditor's report and notes to financial statements.



## CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

#### NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

##### Nature of Activities

Capital Post-Conviction Project of Louisiana (the Organization) is a non-profit corporation organized exclusively for charitable, scientific and educational purposes, including, but not limited to, providing legal representation to indigent persons in Louisiana under the sentence of death, and to providing consultation services, educational materials, and seminars to lawyers who represent indigent persons facing or under a sentence of death.

The Organization is supported primarily through government contracts and private grants and does not engage in fundraising activities.

##### Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Any other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. At December 31, 2014 the Organization had no temporarily or permanently restricted net assets.

##### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements for Not-for-profit Entities*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. For the year ending December 31, 2014, there were no temporarily restricted or permanently restricted net assets.

The statement of activities presents expenses of the Organization's operations functionally between program measurement, and management and general. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

## CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

#### NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Property and Equipment

It is the Organization's policy to capitalize property and equipment with an expected life of three or more years and a cost of \$500 or more. Capital assets purchased are recorded at cost. Donated assets are recorded at the estimated fair market value as of the date of donation. Property and equipment are depreciated using the straight-line method over a five to ten year depreciable life.

##### Contributions

The Organization has adopted FASB ASC No. 958-605-25-2, *Accounting for Contributions Received*. All unconditional contributions are to be measured at fair market value on the date received and be recognized currently as revenue or gains.

##### Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

##### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

#### NOTE B - FINANCIAL ASSISTANCE & CONTRACTS

##### STATE OF LOUISIANA CONTRACTS

The Organization has been awarded grants from the Louisiana Public Defenders Board (LPDB) to be used exclusively to defray the expenses of establishing and maintaining a capital post-conviction office, including contract amounts for attorneys, staff, office expenses, overhead and out-of-pocket expenses. The Funds from these grants cannot be used to defray, in whole or in part, the expenses associated with any trial or appeal as of right filed by or on behalf of a defendant who has not been sentenced to death. The scope of the contracts does not include litigation or proceedings arising out of or involving tort or worker's compensation. For the year ended December 31, 2014, the following LPDB agreements are reflected in the financial statements:

##### Contract for Criminal Defense Services on Behalf of Indigents Seeking Capital Post Conviction Relief:

###### Contract Period July 1, 2013 through June 30, 2014:

The Organization received a grant from the LPDB for post-conviction services on behalf of indigents in Louisiana in the amount of \$1,180,875, which ran from July 1, 2013 until December 31, 2013. This contract was amended on January 31, 2014 to extend the period of the contract

## CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

#### NOTE B - FINANCIAL ASSISTANCE & CONTRACTS (continued)

through June 30, 2014 and increase the amount of the grant to \$2,361,750. During the year ended December 31, 2014, the contract amount was recorded as income and received in monthly installments of \$196,812.50 from January through June 2014, for a total of \$1,180,875 received.

##### Contract Period July 1, 2014 through December 31, 2014:

The Organization received a grant from the LPDB in the amount of \$1,180,875 for post-conviction services on behalf of indigents in Louisiana. The grant was fully paid through monthly installments of \$196,812.50 from July through December 2014, for a total received in the amount of \$1,180,875.

##### Pro Bono Expert Witness Grant:

The Ancillary Criminal Defense Services Grants shall be used exclusively by the Organization to:

- a) Review and take action upon applications to the LPDB by indigents not represented by the Organization for funding of reasonably necessary ancillary services associated with legal representation of indigents seeking post-conviction relief of a capital conviction in Louisiana. The Organization, using the *ABA Guidelines for the Appointment and Performance of Defense Counsel in Death Penalty Cases* (2003) for evaluation, shall take action upon an application for funding within 30 days of receipt of the application either by approval of the application, denial of the application, or by the request of additional information regarding the application. Should the Organization request additional information from the applicant, the Organization shall take action by approval or denial of the application within 30 days of the receipt of the additional information requested; and
- b) Provide funding of reasonably necessary services of expert witnesses, costs of specialized scientific testing, and/or other ancillary services associated with legal representation of indigents not represented by the Organization seeking post-conviction relief of a capital conviction in Louisiana upon approval of hereinafter mentioned applications.

The scope of these Expert Fund grants does not include litigation or proceedings arising out of or involving tort or worker's compensation. The following ancillary services contracts were in effect during the current period:

##### Contract Period July 1, 2013 through June 30, 2014 - Contract for Ancillary Criminal Defense Services:

The Organization received a grant from LPDB in the amount of \$800,000. The funding was to provide ancillary services such as expert witnesses and specialized scientific testing to represent indigents in Louisiana. During the year ended December 31, 2013, \$400,000 of the contract amount was recorded as income, with the balance recorded as deferred revenue and grant

## CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

#### NOTE B - FINANCIAL ASSISTANCE & CONTRACTS (continued)

receivable in the amount of \$400,000. During the period January through June of 2014, the balance of this contract was paid in monthly installments of \$66,666.67, for revenue recognized in the amount of \$400,000, with deferred revenue and grant receivable eliminated.

Contract Period July 1, 2014 through June 30, 2015 - Contract for Ancillary Criminal Defense Services:

The Organization received a grant from LPDB in the amount of \$800,000 for the funding of ancillary services such as expert witnesses and specialized scientific testing to represent indigents in Louisiana. Incremental payments were received from July through December, 2014 of \$66,666.66 totaling \$400,000 recorded as revenue. The remaining balance of \$400,000 is shown on the Statement of Financial Position as a grant receivable in current assets, and as deferred revenue in the current liabilities.

#### Angola 5-DB Contract

The Organization has entered into a contract with the Louisiana Public Defenders Board (LPDB) to be used exclusively for the representation of one of the "Angola 5" defendants on direct appeal and in related matters following his conviction and death sentence.

Contract Period July 1, 2012 through December 31, 2014 - Angola 5-DB Contract

The Organization entered into a contract with the LPDB in the amount of \$430,884.40 for the representation of one of the "Angola 5" defendants on direct appeal. The contract is for payment to be made upon services rendered. Payments made on the contract in 2012 and 2013 were \$72,169.61 and \$206,409.91, respectively. Incremental payments were received from January through October 2014 in the amount of \$152,153.60. The remaining balance of \$151.28 was rolled into the new contract for the period October 3, 2014 through September 30, 2015.

Contract Period October 3, 2014 through September 30, 2015 - Angola 5-DB Contract

The Organization entered into a contract with the LPDB in the amount of \$222,084.40 for the representation of one of the "Angola 5" defendants on direct appeal. There were no payments received on this contract in 2014. The remaining balance of the contract in the amount of \$222,084.40 is available for use in 2015. The contract is for payment to be made upon services rendered.

The scope of this Contract does not include representation of the state of any department and/or agency of state government in litigation or proceedings arising out of or involving tort or worker's compensation.

## **CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

### **NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2014**

#### **NOTE B - FINANCIAL ASSISTANCE & CONTRACTS (continued)**

##### **HARVARD LAW SCHOOL PUBLIC SERVICE VENTURE FUND**

The Organization entered into a contract with the Harvard Law School's Public Venture Fund to provide a fellowship to a Harvard law student. As the host organization, the following would be provided: 1) opportunities for a meaningful learning and professional development experience to the Fellow, 2) a clear framework for supervision of the Fellow, 3) an orientation on the background of the organization, 4) regularly scheduled feedback to the Fellow. The fellowship was to be for a 12 month period of time. The Organization was to provide health insurance coverage and other employee related benefits to the Fellow while under the program. In return, Harvard Law School provided a grant in the amount of \$45,000 to the Organization.

#### **NOTE C - GRANTS TO OTHERS**

For the year ended December 31, 2014, the following agreements are reflected in the financial statements:

##### **Herrero & Trenticosta, Attorneys at Law - General Contract (July 1, 2013 through June 30, 2014):**

The Organization entered into a contract agreement with Herrero & Trenticosta to provide up to \$30,000 for legal representation in state post-conviction proceedings for indigent death-sentenced individuals in Louisiana. The contract payments are contingent upon the Herrero & Trenticosta attorneys timely filing of expense reports. In 2014, the balance was paid in full and all terms of the contract were complied with.

##### **Herrero & Trenticosta, Attorneys at Law - General Contract (July 1, 2014 through June 30, 2015):**

The Organization entered into a contract agreement with Herrero & Trenticosta to provide up to \$80,000 for legal representation in state post-conviction proceedings for indigent death-sentenced individuals in Louisiana. The contract payments are contingent upon the Herrero & Trenticosta attorneys timely filing of time and expense reports. In 2014, the balance was paid in full and all terms of the contract were complied with.

Various other attorneys have been engaged under contract to work on specific cases. The contracts are for a stated period of time with payment due upon the submission of invoices by the attorney to the Organization. Quarterly status reports are to be submitted to the Organization within 15 days of the end of each quarter. As of December 31, 2014 there were no outstanding amounts due to attorneys under these contracts.

#### **NOTE D - CASH AND EQUIVALENTS**

At December 31, 2014 the Organization had cash and cash equivalents (book balances) totaling \$227,015 in demand deposits. These deposits are stated at cost, which approximates market. As of December 31, 2014, the Organization had \$306,833 in deposits (collected bank balances). These deposits were secured by \$250,000 in Federal Deposit Insurance and \$56,833 in pledged securities.

# CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

### NOTE E - PROPERTY AND EQUIPMENT

As of December 31, 2014, the Organization had property, plant, and equipment and depreciation as follows:

Equipment and Furniture	\$ 198,100
Accumulated Depreciation	<u>175,845</u>
Total Property and Equipment	<u>\$ 22,255</u>
Depreciation Expense	<u>\$ 2,269</u>

### NOTE F - DESCRIPTION OF LEASING ARRANGEMENTS

#### UCI Communications

The Organization is a party to an agreement with UCI Communications for network services. The term of the lease was for two years, expiring in February, 2006. Upon expiration of the minimum term commitment, the agreement automatically renewed on a month-to-month basis until 30-day notice of termination by either party is given.

#### Nuvox Communications

An amended agreement was entered into with Nuvox Communications (formerly New South Communications), on October 5, 2009, for phone services. This was a three year agreement expiring on December 31, 2012. The agreement states that after the three year agreement expires, the lease will be automatically renewed on a yearly basis unless terminated.

#### Gulf Coast Office Products

The Organization is party to one lease with Gulf Coast Office Products financed through US Bank for the lease of digital copiers/scanners. The term of the lease is for five years and was entered into on October 9, 2012. Upon expiration of the minimum term commitment, the Organization will have the option to purchase the equipment at its then fair market value.

Minimum lease payments are as follows:

2015	8,868
2016	8,868
2017	7,390
Thereafter	<u>0</u>
Total	<u>\$ 25,126</u>

# CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

### NOTE F - DESCRIPTION OF LEASING ARRANGEMENTS (continued)

#### Dovie Consulting

A twelve month agreement was entered into with Dovie Consulting, on July 01, 2007 for computer consulting services. After the term of the lease expired, both parties agreed to continue on a month to month basis. Dovie Consulting will provide 24 hour, 7 days per week of computer service at a rate of \$2,659 per month.

#### Lease with Continental REGIS Property Management, LLC

The Organization amended their lease with REGIS Property Management, LLC in February of 2007 for office space when they moved to a different floor. The terms of the lease have been amended to extend through January 31, 2017. The monthly rent is \$8,782.

Minimum payments under the lease are as follows:

2015	105,384
2016	105,384
2017	8,782
Thereafter	-
Total	<u>\$ 219,550</u>

### NOTE G - 401(K) PLAN

The Organization became a participant in the ABA Members Retirement Program with an effective date of January 1, 2003. Eligible employees were allowed to make deferred compensation contributions to the plan beginning in 2003, and there were no employer contributions made during the year. All employees who have attained the age of 21 are allowed to participate.

The ABA conducted discrimination testing on the plan, and reported full compliance for the years ended December 31, 2014.

### NOTE H - CONCENTRATION OF SUPPORT

The Organization receives a substantial amount of their revenue from government grants. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's ability to fulfill their programs. Approximately 99.00% of the Organization's support for the year ended December 31, 2014 came from governmental grants.

### NOTE I - SUBSEQUENT EVENTS

FASB Accounting Standards Codification Topic 855, "Subsequent Events" addresses events which occur after the balance sheet date but before the issuance of financial statements. An entity must record the effects of subsequent events that provide evidence about conditions that existed at the balance sheet date and must disclose but not record the effects of subsequent events which provide evidence about conditions that existed after the balance sheet date. Additionally, Topic 855 requires

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2014**

**NOTE I - SUBSEQUENT EVENTS (continued)**

disclosure relative to the date through which subsequent events have been evaluated and whether that is the date on which the financial statements were issued or were available to be issued. Management evaluated the activity of the Organization through June 24, 2015, the date the financial statements were issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the Notes to the Financial Statements.



## **SUPPLEMENTAL INFORMATION**

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS  
AND OTHER PAYMENTS TO AGENCY HEAD,  
POLITICAL SUBDIVISION HEAD OR CHIEF EXECUTIVE OFFICER  
For the Year Ended December 31, 2014**

AGENCY HEAD NAME: Gary P. Clements, ESQ., Executive Director

<b>PURPOSE</b>		<b>AMOUNT</b>
Salary	\$	105,000
Benefits - Insurance		23,773
Benefits - Parking		1,020
Cell Phone		600
Dues (Bar Dues & Court Admissions)		1,002
Travel		126
Conference Travel		375

See independent auditor's report and notes to financial statements.

# PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Capital Post-Conviction Project of Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Capital Post-Conviction Project of Louisiana (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2015.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Capital Post-Conviction Project of Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capital Post-Conviction Project of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material

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weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Capital Post-Conviction Project of Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Paillet, Meunier and LeBlanc, LLP*

Metairie, Louisiana  
June 24, 2015